



April 10, 2008

**FACT SHEET:**  
**TRANQUILLON RIDGE OIL & GAS PROJECT AND LAND**  
**CONSERVATION AGREEMENT**

The Environmental Defense Center (EDC), Get Oil Out! (GOO!), and Citizens Planning Association of Santa Barbara (CPA) today announced the signing of an historic and unprecedented agreement in Santa Barbara, California. The Agreement will allow for development by Plains Exploration & Production Company (PXP) of the Tranquillon Ridge Oil and Gas Field offshore Lompoc, while curtailing the life of existing oil and gas operations. The agreement further requires PXP to reduce greenhouse gas emissions and protect significant lands in Santa Barbara County.

Specifically, the following benefits will result from this Agreement:

- The Tranquillon Ridge Project will include an “end date” which will prohibit any extension of the life of existing oil and gas operations;
- PXP will phase out other oil and gas production operations in the County, both offshore near Pt. Arguello and Pt. Conception and onshore near Lompoc;
- All greenhouse gas emissions from the Tranquillon Ridge Project will be mitigated or offset, resulting in carbon neutrality;
- PXP will donate an additional \$1,500,000 to reduce greenhouse gas emissions in the County; and
- PXP will convey approximately 3,900 acres of land, including approximately 3,700 acres adjacent to the Burton Mesa Ecological Reserve in the Lompoc Valley and up to 200 acres on the Gaviota Coast, for the benefit of the public.

*None of these benefits would occur without this Agreement.*

**Background**

In March 2005, PXP applied to the California State Lands Commission and County of Santa Barbara for a new state lease and onshore permits to allow development of the Tranquillon Ridge field, located in state waters offshore from Vandenberg Air Force Base. PXP plans to use an existing platform, Platform Irene, which is currently used to produce oil and gas from the adjacent Pt. Pedernales field, in federal waters. Like the oil

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produced from Pt. Pedernales, oil produced from Tranquillon Ridge would be sent to shore by pipeline and processed at the Lompoc Oil and Gas Plant (LOGP). No new construction would occur. However, the Project would require a new state lease to allow “slant drilling” from Platform Irene into the Tranquillon Ridge field. (See attached Santa Barbara County Energy Division Map.)

The lease would be issued under an exception to the California Coastal Sanctuary Act (1984), which allows a new lease if oil or gas from state-owned tide and submerged lands “are being drained by means of producing wells upon adjacent federal lands and the lease is in the best interests of the state.” (Pub. Res. Code §6244.) In this case, PXP is draining oil and gas from state tide and submerged lands from wells drilled on Platform Irene. The parties to the Settlement Agreement believe the provisions which have been negotiated are in the best interests of the state, not only because they provide specific environmental benefits, but also because they set a new precedent for full “mitigation” of the impact of industrial development in the County and the state.

### **The Agreement**

#### **End Dates**

A previous proposal to develop the Tranquillon Ridge Field, by Nuevo Energy Company, was opposed by local environmental groups and denied by the County of Santa Barbara in 2002. When PXP made a similar proposal, the environmental groups again raised objections, based on the fact that the drilling operations would extend the life of the existing facilities. PXP responded by agreeing to include a termination date for the Tranquillon Ridge Project. This commitment goes well beyond any legal requirements, which allow oil companies to continue operations so long as they are producing commercially viable quantities of oil and gas.

In addition, PXP offered to commit to end dates for their other operations in the County. These operations include the Pt. Pedernales Project (located offshore from Vandenberg Air Force Base), the Pt. Arguello Project (including three platforms offshore from Pt. Conception, and the Gaviota processing site), and the Lompoc Onshore Oil Project (consisting of numerous onshore oil and gas wells in the vicinity of the Lompoc Oil and Gas Plant (LOGP)).

Pursuant to the Agreement, the Pt. Arguello Project will shut down in 2017. The Tranquillon Ridge, Pt. Pedernales, and Lompoc Onshore Oil Projects will all shut down by December 31, 2022. ***Without this agreement, none of these projects would be required to shut down, and could continue indefinitely.***

#### **Greenhouse Gas Emission Reductions**

The Agreement requires PXP to reduce or offset all of the greenhouse gas emissions from the project. First, PXP will hire an independent auditor to determine whether there are any feasible measures that could be implemented to reduce greenhouse gas emissions

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from the Tranquillon Ridge project. Any measures that are identified as being feasible shall be implemented. Any remaining emissions will be reported on an annual basis and offset through payment of \$10 per ton to an entity that will use the funds to purchase offsets. In addition, PXP will donate \$1,500,000 to reduce greenhouse gas emissions in Santa Barbara County. This fund will be administered by the Santa Barbara County Air Pollution Control District and may be used to fund the purchase of hybrid buses in Santa Maria, Lompoc, and on the south coast.

***Land Conveyances***

In addition to the Agreement with the environmental groups, PXP has entered into a separate agreement with The Trust for Public Land which will result in the conveyance of thousands of acres in the Lompoc Valley and on the Gaviota coast for public benefit. Under these Agreements, PXP will convey to TPL approximately 3,700 acres in the Lompoc area next to the Burton Mesa Ecological Reserve. This land includes the site of the LOGP, as well as 800 acres on which PXP proposes to construct the Purisima Hills residential project; accordingly, the agreement requires PXP to withdraw its applications for this project. These lands will be permanently dedicated for purposes of open space preservation, management and restoration of natural resources, as well as passive recreation, education and research. It is the desire of the environmental groups and PXP that these lands be added to the Burton Mesa Ecological Reserve.

In addition, PXP will convey approximately 140 acres on the Gaviota coast, known as the Smith and Sunburst parcels. These parcels are located to the east and west of the Gaviota processing site and will be conveyed to the public, in addition to approximately 30 acres that are already required to be transferred to the California Department of Fish and Game as a tarplant reserve. PXP will also take steps to convey the 56-acre Gaviota processing site after nine years, following abandonment of the facilities.

An initial conveyance of up to 1,200 acres will occur in less than two years. The remainder of the land will be conveyed following abandonment of the oil production facilities.

***Process and Timing***

The Santa Barbara County Planning Commission will hold a hearing to consider the Tranquillon Ridge Project on April 21, 2008, at the Betteravia Government Center in Santa Maria. If the County approves the project, the California State Lands Commission will schedule a hearing to consider the application for the lease. The California Coastal Commission will then hold a hearing to consider whether the Project is consistent with the state's Coastal Management Program, and to issue a coastal development permit. All hearings should be completed this summer.

***For More Information***

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